Form 3160-3
(June 2015)

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☐ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☐ Gas Well ☐ Other

1c. Type of Completion: ☐ Hydraulic Fracturing ☐ Single Zone ☐ Multiple Zone

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.

2. Name of Operator

9. API Well No. 30 015 48797

3a. Address	3b. Phone No. *(include area code)*	10. Field and Pool, or Exploratory

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface

At proposed prod. zone

11. Sec., T. R. M. or Blk. and Survey or Area

14. Distance in miles and direction from nearest town or post office*	12. County or Parish	13. State

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of acres in lease	17. Spacing Unit dedicated to this well
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. in file
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be requested by the BLM.

25. Signature	Name *(Printed/Typed)*	Date
Title		
Approved by *(Signature)*	Name *(Printed/Typed)*	Date
Title	Office	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

APPROVED WITH CONDITIONS

(Continued on page 2)

*(Instructions on page 2)

Approval Date: 04/19/2021

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30 015 48797	98220	PURPLE SAGE, WOLFCAMP (GAS)

[4] Property Code	[5] Property Name	[6] Well Number
330797	KYLE FEDERAL 24-28-34 WA	11H

[7] OGRID No.	[8] Operator Name	[9] Elevation
372098	MARATHON OIL PERMIAN LLC	2999'

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	34	T24S	R28E		696	SOUTH	1860	EAST	EDDY

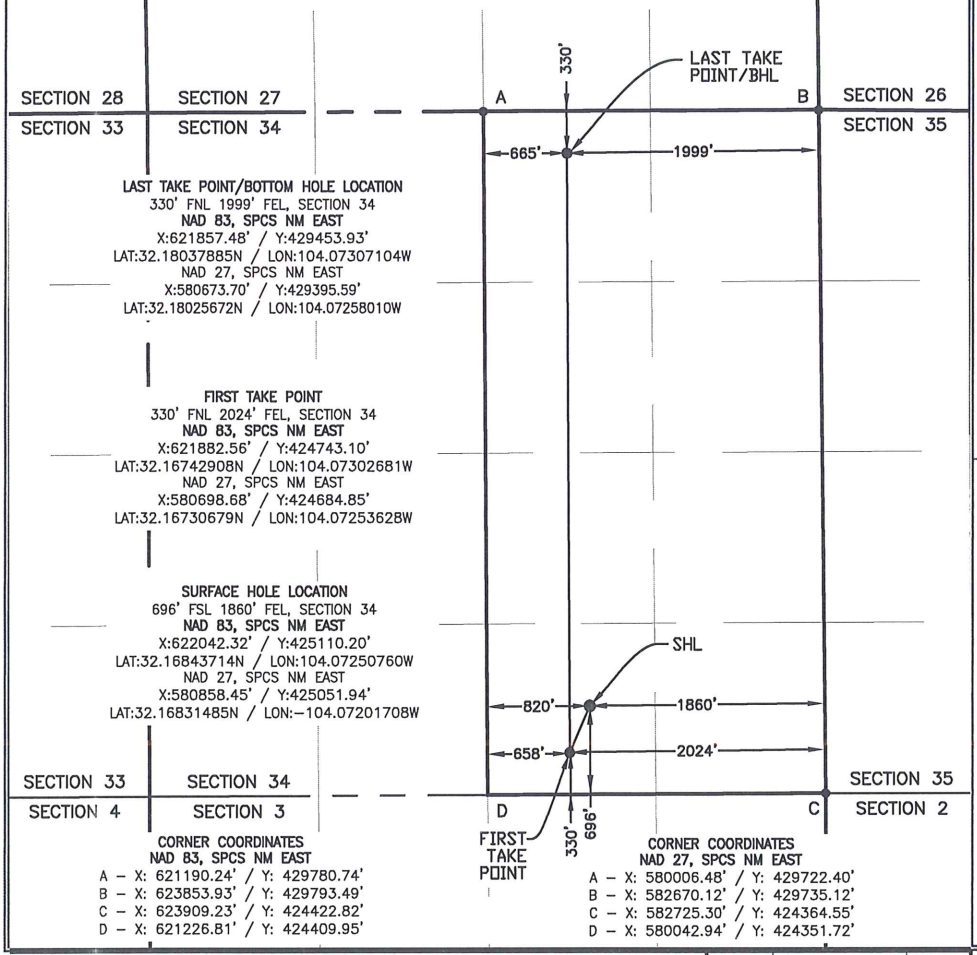
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	34	T24S	R28E		330	NORTH	1999	EAST	EDDY

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320.00			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature — Date: 8/9/2018

Adrian Covarrubias
Printed Name

E-mail Address

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JULY 13, 2018
Date of Survey

Signature and Seal of Professional Surveyor:

DAVID W. MYERS
NEW MEXICO
11403
PROFESSIONAL SURVEYOR

Certificate Number
DAVID W. MYERS 11403

REV.	DATE	BY
1	07/03/18	ANC

SHEET 1 OF 3
JOB No. R3752_008

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date:_____

☒ Original Operator & OGRID No.: 372098

☐ Amended - Reason for Amendment:_____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Kyle Federal 24 28 34 WA 11H		O-34-T24S-R28E	696' FSL 1860' FEL	2380	Flared	
Kyle Federal 24 28 34 WA 14H		O-34-T24S-R28E	786' FSL 1859' FEL	2380	Flared	
Kyle Federal 24 28 34 TB 13H		O-34-T24S-R28E	756' FSL 1859' FEL	1400	Flared	
Kyle Federal 24 28 34 TB 12H		O-34-T24S-R28E	726' FSL 1859' FEL	1400	Flared	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to Crestwood Equity Partners and will be connected to Crestwood Equity Partners low pressure gathering system located in Eddy County, New Mexico. It will require 1 mile of pipeline to connect the facility to low pressure gathering system. Marathon provides (periodically) to Crestwood Equity Partners a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Marathon and Crestwood Equity Partners have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Willow Lake System Processing Plant located in Eddy County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Crestwood Equity Partners system at that time. Based on current information, it is Marathon's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
  - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease

- Gas flared would be minimal, but might be uneconomical to operate when gas volume declines

- NGL Removal – On lease
  - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

AFMSS
U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Drilling Plan Data Report
05/04/2021

APD ID: 10400032924
Submission Date: 08/16/2018
Operator Name: MARATHON OIL PERMIAN LLC
Well Name: KYLE FEDERAL 24 28 34 WA
Well Number: 11H
Well Type: CONVENTIONAL GAS WELL
Well Work Type: Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
282776	RUSTLER	2999	686	686	ANHYDRITE, DOLOMITE	OTHER : Brine	N
282790	SALADO	2038	954	954	ANHYDRITE, SALT	OTHER : Brine	N
282791	CASTILE	522	2470	2480	ANHYDRITE, SALT	OTHER : Brine	N
282780	BASE OF SALT	383	2609	2621	LIMESTONE, SANDSTONE	OTHER : Brine	N
282781	LAMAR	328	2664	2677	SANDSTONE, SHALE	OIL	N
282783	BELL CANYON	-509	3501	3527	SANDSTONE, SHALE	OIL	N
282784	BRUSHY CANYON	-1737	4729	4774	OTHER : Sands/Carbonate	OIL	N
282792	BONE SPRING	-3336	6328	6380	OTHER, SHALE : Sands/Carbonate	OIL	N
282885	WOLFCAMP	-6542	9541	9632	OTHER, SANDSTONE, SHALE : Carbonates	NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Pressure Rating (PSI): 5M
Rating Depth: 15152

Equipment: 13 5/8 Annular, Double Ram and Pipe Ram will be installed and tested before 12 1/4", 8 3/4", and 6 1/8" holes.

Requesting Variance? YES

Variance request: A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.
Testing Procedure: - BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table attached. If the system is upgraded all the components installed will be functional and tested. The BOPs will be tested to 50% of 5000 working pressure. - Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock, full opening safety valve / inside BOP and choke lines and choke manifold. See attached schematics. - Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i. - A multibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover

Operator Name: MARATHON OIL PERMIAN LLC

Well Name: KYLE FEDERAL 24 28 34 WA **Well Number:** 11H

testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. See attached schematic.

Choke Diagram Attachment:

DRILL_2_CHOKE_Contitech_Hose_SN_663393_20180809083903.pdf

DRILL_2_CHOKE_Choke_Line_Flex_III_Rig_20180809083901.pdf

DRILL_2_CHOKE_5M_10M.TWO_CHOKE_MANIFOLD.BLM_20180809083900.pdf

DRILL_2_CHOKE_Choke_Line_Test_Chart_SN_63393_20180809083902.pdf

BOP Diagram Attachment:

DRILL_2_BOP_Well_Control_Plan___Permian_20180809083918.pdf

DRILL_2_BOP_10_5M_Flex.BOPE.BLM_20180809083917.pdf

DRILL_2_BOP_WH_TH_DESIGN__1B__5K_10K_7in___11H_14H__20180809104702.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	450	0	450	2999	2549	450	J-55	54.5	ST&C	5.52	2.5	BUOY	2.5	BUOY	2.5
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	2620	0	2608	2999	379	2620	J-55	40	LT&C	1.74	1.15	BUOY	2.19	BUOY	2.19
3	PRODUCTION	8.75	7.0	NEW	API	N	0	10110	0	9722	2999	-6723	10110	P-110	29	BUTT	2.21	1.18	BUOY	1.9	BUOY	1.9
4	LINER	6.125	4.5	NEW	API	N	9810	14468	9650	9722	-6651	-6723	4658	P-110	13.5	BUTT	1.33	1.56	BUOY	1.88	BUOY	1.88

Casing Attachments

Operator Name: MARATHON OIL PERMIAN LLC

Well Name: KYLE FEDERAL 24 28 34 WA **Well Number:** 11H

Casing Attachments

Casing ID: 1 **String Type:** SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Surface_20180809104954.pdf

Casing ID: 2 **String Type:** INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Intermediate_20180809105052.pdf

Casing ID: 3 **String Type:** PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Intermediate_II_20180809105154.pdf

Operator Name: MARATHON OIL PERMIAN LLC

Well Name: KYLE FEDERAL 24 28 34 WA **Well Number:** 11H

Casing Attachments

Casing ID: 4 **String Type:** LINER

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Liner_20180809105412.pdf

Section 4 - Cement

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	0	0	1.75	13.5	0	100	NA	NA
SURFACE	Tail		0	450	458	1.33	14.8	625	100	Class C	0.02 Gal/Sk Defoamer + 0.5% Extender + 1% Accelerator
INTERMEDIATE	Lead		0	1600	507	1.75	12.8	877	75	Class C	0.02 Gal/Sk Defoamer + 0.5% Extender + 1% Accelerator
INTERMEDIATE	Tail		1600	2620	360	1.33	14.8	479	50	Class C	0.3 % Retarder
PRODUCTION	Lead		2320	9100	642	2.7	11	1733	70	Class C	0.85% retarder + 10% extender + 0.02 gal/sk defoamer + 2.0% Extender + 0.15% Viscosifier
PRODUCTION	Tail		9100	10110	181	1.09	15.6	197	30	Class H	3% extender + 0.15% Dispersant + 0.03 gal/sk retarder
LINER	Lead		9810	14468	0	0	0	0	0	NA	NA
LINER	Tail		9810	14468	467	1.22	14.5	570	30	Class H	0.1% retarder + 3.5% extender + 0.3% fluid loss + 0.1% Dispersant

Operator Name: MARATHON OIL PERMIAN LLC

Well Name: KYLE FEDERAL 24 28 34 WA **Well Number:** 11H

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: The necessary mud products for additional weight and fluid loss control will be on location at all times.

Describe the mud monitoring system utilized: Losses or gains in the mud system will be monitored visually/manually as well as with an electronic PVT.

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
450	2620	OTHER : Brine	9.9	10.2							
0	450	WATER-BASED MUD	8.4	8.8							
2620	10110	OTHER : Cut Brine	8.8	9.8							
10110	14468	OIL-BASED MUD	11.5	12							

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

Open Hole Logs: GR while drilling from 9 5/8" Intermediate casing shoe to TD.

List of open and cased hole logs run in the well:

GR

Coring operation description for the well:

None Planned.

Operator Name: MARATHON OIL PERMIAN LLC

Well Name: KYLE FEDERAL 24 28 34 WA **Well Number:** 11H

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 6066 **Anticipated Surface Pressure:** 3927.16

Anticipated Bottom Hole Temperature(F): 195

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

DRILL_7_Pad_Flex_III_Rev1_20180809084907.pdf

DRILL_7_GCP___Kyle_Federal_24_28_34__12_11_13_14__20180809084903.docx

DRILL_7_H2S_Contiengency_Plan_Summary_Rev1_20180809084903.pdf

DRILL_7_Marathon_Carlsbad___KYLE_FED_24_28_34_12H_11H_13H_14H_Contingency_Plan_071318_20180809084905.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

DRILL_8_Marathon_KyleFedWA_11H_PrelimPlanA_WPReport_20180809110157.pdf

DRILL_8_Marathon_KyleFedWA_11H_PrelimPlanA_36x48WM_20180809110156.pdf

Other proposed operations facets description:

- Kelly cock will be in the drill string at all times.
- A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor unobstructed and readily accessible at all times.
- Hydrogen Sulfide detection equipment will be in operation after drilling out the surface casing shoe until the production casing is cemented. Breathing equipment will be on location upon drilling the surface casing shoe until total depth is reached. If Hydrogen Sulfide is encountered , measured amounts and formations will be reported to the BLM.

Potential Hazards:
- H2S detection equipment will be in operation after drilling out the surface casing shoe until the production casing has been cemented. Breathing equipment will be on location from drilling out the surface shoe until production casing is cemented. If H2S is encountered the operator will comply with Onshore Order #6.
- No abnormal temperatures or pressures are anticipated. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.
- No losses are anticipated at this time.
- All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well.
- Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.

Other proposed operations facets attachment:

DRILL_8_FACET_LEASE_MAP_20180809085110.jpg

DRILL_8_FACET_Batch_Drilling_Plan_and_Surface_Rig_Request_20180809085108.pdf

Operator Name: MARATHON OIL PERMIAN LLC

Well Name: KYLE FEDERAL 24 28 34 WA **Well Number:** 11H

DRILL_8_KYLE_FEDERAL_24_28_34_WA_11H_DRILLING_PLAN_20180809110212.doc

Other Variance attachment:

DRILL_8_Batch_Drilling_Plan_and_Surface_Rig_Request_20180627112019.pdf

Marathon Oil

Professional Directional
Planning Report

PRODIRECTIONAL

Database:	WellPlanner1	**Local Co-ordinate Reference:**	Site Kyle Federal 24-28-34 (11-12-13-14)
Company:	Marathon Oil	**TVD Reference:**	Well @ 3026.00usft (GL: 2999' + KB: 27' (PD582))
Project:	Eddy County, NM	**MD Reference:**	Well @ 3026.00usft (GL: 2999' + KB: 27' (PD582))
Site:	Kyle Federal 24-28-34 (11-12-13-14)	**North Reference:**	Grid
Well:	WA #11H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Prelim Plan A		

Project Eddy County, NM

Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site Kyle Federal 24-28-34 (11-12-13-14)

Site Position:		**Northing:**	425,081.92 usft	**Latitude:**	32.168397
From:	Map	**Easting:**	580,858.41 usft	**Longitude:**	-104.072017
Position Uncertainty:	0.00 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	0.14 °

Well WA #11H

Well Position	**+N/-S**	-29.98 usft	**Northing:**	425,051.94 usft	**Latitude:**	32.168315
	+E/-W	0.04 usft	**Easting:**	580,858.45 usft	**Longitude:**	-104.072017
Position Uncertainty		0.00 usft	**Wellhead Elevation:**		**Ground Level:**	2,999.00 usft

Wellbore OH

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	HDGM	7/12/2018	7.17	59.93	47,970.20

Design Prelim Plan A

Audit Notes:

Version:		**Phase:**	PLAN	**Tie On Depth:**	0.00

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.00	-29.98	0.04	359.70

Plan Survey Tool Program **Date** 7/23/2018

	Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.00	1,850.00	Prelim Plan A (OH)	MWD+IFR1 OWSG MWD + IFR1	
2	1,850.00	5,400.00	Prelim Plan A (OH)	MWD+IFR1 OWSG MWD + IFR1	
3	5,400.00	10,000.00	Prelim Plan A (OH)	MWD+IFR1 OWSG MWD + IFR1	
4	10,000.00	14,468.26	Prelim Plan A (OH)	MWD+IFR1 OWSG MWD + IFR1	

Marathon Oil

Professional Directional
Planning Report

PRODIRECTIONAL

Database:	WellPlanner1	**Local Co-ordinate Reference:**	Site Kyle Federal 24-28-34 (11-12-13-14)
Company:	Marathon Oil	**TVD Reference:**	Well @ 3026.00usft (GL: 2999' + KB: 27' (PD582))
Project:	Eddy County, NM	**MD Reference:**	Well @ 3026.00usft (GL: 2999' + KB: 27' (PD582))
Site:	Kyle Federal 24-28-34 (11-12-13-14)	**North Reference:**	Grid
Well:	WA #11H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Prelim Plan A		

Plan Sections

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	-29.98	0.04	0.00	0.00	0.00	0.00	
1,500.00	0.00	0.00	1,500.00	-29.98	0.04	0.00	0.00	0.00	0.00	
2,000.00	10.00	194.91	1,997.47	-72.04	-11.16	2.00	2.00	0.00	194.91	
5,056.56	10.00	194.91	5,007.59	-584.92	-147.76	0.00	0.00	0.00	0.00	
5,556.56	0.00	0.00	5,505.05	-626.98	-158.96	2.00	-2.00	0.00	180.00	
9,200.51	0.00	0.00	9,149.00	-626.98	-158.96	0.00	0.00	0.00	0.00	
10,100.50	90.00	359.70	9,721.96	-54.04	-161.95	10.00	10.00	-0.03	359.70	
14,468.26	90.00	359.70	9,722.00	4,313.67	-184.71	0.00	0.00	0.00	0.00	[KyleFedWA#11H]LTF

Marathon Oil

Professional Directional
Planning Report

PRODIRECTIONAL

Database:	WellPlanner1	**Local Co-ordinate Reference:**	Site Kyle Federal 24-28-34 (11-12-13-14)
Company:	Marathon Oil	**TVD Reference:**	Well @ 3026.00usft (GL: 2999' + KB: 27' (PD582))
Project:	Eddy County, NM	**MD Reference:**	Well @ 3026.00usft (GL: 2999' + KB: 27' (PD582))
Site:	Kyle Federal 24-28-34 (11-12-13-14)	**North Reference:**	Grid
Well:	WA #11H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Prelim Plan A		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	-29.98	0.04	0.00	0.00	0.00	0.00
[KyleFedWA#11H]FTP									
100.00	0.00	0.00	100.00	-29.98	0.04	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	-29.98	0.04	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	-29.98	0.04	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	-29.98	0.04	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	-29.98	0.04	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	-29.98	0.04	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	-29.98	0.04	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	-29.98	0.04	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	-29.98	0.04	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	-29.98	0.04	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	-29.98	0.04	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	-29.98	0.04	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	-29.98	0.04	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	-29.98	0.04	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	-29.98	0.04	0.00	0.00	0.00	0.00
1,600.00	2.00	194.91	1,599.98	-31.67	-0.41	-1.68	2.00	2.00	0.00
1,700.00	4.00	194.91	1,699.84	-36.72	-1.76	-6.73	2.00	2.00	0.00
1,800.00	6.00	194.91	1,799.45	-45.14	-4.00	-15.14	2.00	2.00	0.00
1,900.00	8.00	194.91	1,898.70	-56.92	-7.14	-26.90	2.00	2.00	0.00
2,000.00	10.00	194.91	1,997.47	-72.04	-11.16	-42.00	2.00	2.00	0.00
2,100.00	10.00	194.91	2,095.95	-88.82	-15.63	-58.75	0.00	0.00	0.00
2,200.00	10.00	194.91	2,194.43	-105.60	-20.10	-75.51	0.00	0.00	0.00
2,300.00	10.00	194.91	2,292.91	-122.38	-24.57	-92.27	0.00	0.00	0.00
2,400.00	10.00	194.91	2,391.39	-139.16	-29.04	-109.02	0.00	0.00	0.00
2,500.00	10.00	194.91	2,489.87	-155.94	-33.51	-125.78	0.00	0.00	0.00
2,600.00	10.00	194.91	2,588.35	-172.72	-37.98	-142.53	0.00	0.00	0.00
2,700.00	10.00	194.91	2,686.83	-189.50	-42.44	-159.29	0.00	0.00	0.00
2,800.00	10.00	194.91	2,785.31	-206.28	-46.91	-176.05	0.00	0.00	0.00
2,900.00	10.00	194.91	2,883.79	-223.06	-51.38	-192.80	0.00	0.00	0.00
3,000.00	10.00	194.91	2,982.27	-239.84	-55.85	-209.56	0.00	0.00	0.00
3,100.00	10.00	194.91	3,080.75	-256.62	-60.32	-226.32	0.00	0.00	0.00
3,200.00	10.00	194.91	3,179.23	-273.40	-64.79	-243.07	0.00	0.00	0.00
3,300.00	10.00	194.91	3,277.72	-290.18	-69.26	-259.83	0.00	0.00	0.00
3,400.00	10.00	194.91	3,376.20	-306.96	-73.73	-276.59	0.00	0.00	0.00
3,500.00	10.00	194.91	3,474.68	-323.73	-78.20	-293.34	0.00	0.00	0.00
3,600.00	10.00	194.91	3,573.16	-340.51	-82.67	-310.10	0.00	0.00	0.00
3,700.00	10.00	194.91	3,671.64	-357.29	-87.13	-326.85	0.00	0.00	0.00
3,800.00	10.00	194.91	3,770.12	-374.07	-91.60	-343.61	0.00	0.00	0.00
3,900.00	10.00	194.91	3,868.60	-390.85	-96.07	-360.37	0.00	0.00	0.00
4,000.00	10.00	194.91	3,967.08	-407.63	-100.54	-377.12	0.00	0.00	0.00
4,100.00	10.00	194.91	4,065.56	-424.41	-105.01	-393.88	0.00	0.00	0.00
4,200.00	10.00	194.91	4,164.04	-441.19	-109.48	-410.64	0.00	0.00	0.00
4,300.00	10.00	194.91	4,262.52	-457.97	-113.95	-427.39	0.00	0.00	0.00
4,400.00	10.00	194.91	4,361.00	-474.75	-118.42	-444.15	0.00	0.00	0.00
4,500.00	10.00	194.91	4,459.48	-491.53	-122.89	-460.90	0.00	0.00	0.00
4,600.00	10.00	194.91	4,557.97	-508.31	-127.36	-477.66	0.00	0.00	0.00
4,700.00	10.00	194.91	4,656.45	-525.09	-131.82	-494.42	0.00	0.00	0.00
4,800.00	10.00	194.91	4,754.93	-541.87	-136.29	-511.17	0.00	0.00	0.00
4,900.00	10.00	194.91	4,853.41	-558.65	-140.76	-527.93	0.00	0.00	0.00
5,000.00	10.00	194.91	4,951.89	-575.43	-145.23	-544.69	0.00	0.00	0.00

Marathon Oil

Professional Directional

Planning Report

PRODIRECTIONAL

Database:	WellPlanner1	**Local Co-ordinate Reference:**	Site Kyle Federal 24-28-34 (11-12-13-14)
Company:	Marathon Oil	**TVD Reference:**	Well @ 3026.00usft (GL: 2999' + KB: 27' (PD582))
Project:	Eddy County, NM	**MD Reference:**	Well @ 3026.00usft (GL: 2999' + KB: 27' (PD582))
Site:	Kyle Federal 24-28-34 (11-12-13-14)	**North Reference:**	Grid
Well:	WA #11H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Prelim Plan A		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
5,056.56	10.00	194.91	5,007.59	-584.92	-147.76	-554.16	0.00	0.00	0.00
5,100.00	9.13	194.91	5,050.43	-591.90	-149.62	-561.13	2.00	-2.00	0.00
5,200.00	7.13	194.91	5,149.41	-605.57	-153.26	-574.78	2.00	-2.00	0.00
5,300.00	5.13	194.91	5,248.84	-615.89	-156.01	-585.08	2.00	-2.00	0.00
5,400.00	3.13	194.91	5,348.57	-622.85	-157.86	-592.03	2.00	-2.00	0.00
5,500.00	1.13	194.91	5,448.50	-626.44	-158.82	-595.62	2.00	-2.00	0.00
5,556.56	0.00	0.00	5,505.05	-626.98	-158.96	-596.16	2.00	-2.00	0.00
5,600.00	0.00	0.00	5,548.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
5,700.00	0.00	0.00	5,648.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
5,800.00	0.00	0.00	5,748.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
5,900.00	0.00	0.00	5,848.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
6,000.00	0.00	0.00	5,948.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
6,100.00	0.00	0.00	6,048.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
6,200.00	0.00	0.00	6,148.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
6,300.00	0.00	0.00	6,248.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
6,400.00	0.00	0.00	6,348.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
6,500.00	0.00	0.00	6,448.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
6,600.00	0.00	0.00	6,548.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
6,700.00	0.00	0.00	6,648.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
6,800.00	0.00	0.00	6,748.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
6,900.00	0.00	0.00	6,848.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
7,000.00	0.00	0.00	6,948.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
7,100.00	0.00	0.00	7,048.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
7,200.00	0.00	0.00	7,148.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
7,300.00	0.00	0.00	7,248.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
7,400.00	0.00	0.00	7,348.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
7,500.00	0.00	0.00	7,448.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
7,600.00	0.00	0.00	7,548.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
7,700.00	0.00	0.00	7,648.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
7,800.00	0.00	0.00	7,748.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
7,900.00	0.00	0.00	7,848.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
8,000.00	0.00	0.00	7,948.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
8,100.00	0.00	0.00	8,048.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
8,200.00	0.00	0.00	8,148.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
8,300.00	0.00	0.00	8,248.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
8,400.00	0.00	0.00	8,348.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
8,500.00	0.00	0.00	8,448.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
8,600.00	0.00	0.00	8,548.49	-626.98	-158.96	-596.16	0.00	0.00	0.00
8,700.00	0.00	0.00	8,648.50	-626.98	-158.96	-596.16	0.00	0.00	0.00
8,800.00	0.00	0.00	8,748.50	-626.98	-158.96	-596.16	0.00	0.00	0.00
8,900.00	0.00	0.00	8,848.50	-626.98	-158.96	-596.16	0.00	0.00	0.00
9,000.00	0.00	0.00	8,948.50	-626.98	-158.96	-596.16	0.00	0.00	0.00
9,100.00	0.00	0.00	9,048.50	-626.98	-158.96	-596.16	0.00	0.00	0.00
9,200.51	0.00	0.00	9,149.00	-626.98	-158.96	-596.16	0.00	0.00	0.00
9,250.00	4.95	359.70	9,198.43	-624.84	-158.97	-594.02	10.00	10.00	0.00
9,300.00	9.95	359.70	9,248.00	-618.36	-159.00	-587.54	10.00	10.00	0.00
9,350.00	14.95	359.70	9,296.80	-607.59	-159.06	-576.77	10.00	10.00	0.00
9,400.00	19.95	359.70	9,344.49	-592.60	-159.14	-561.78	10.00	10.00	0.00
9,450.00	24.95	359.70	9,390.68	-573.51	-159.24	-542.69	10.00	10.00	0.00
9,500.00	29.95	359.70	9,435.04	-550.47	-159.36	-519.65	10.00	10.00	0.00
9,550.00	34.95	359.70	9,477.22	-523.65	-159.50	-492.83	10.00	10.00	0.00
9,600.00	39.95	359.70	9,516.90	-493.26	-159.66	-462.44	10.00	10.00	0.00

Marathon Oil

Professional Directional

Planning Report

PRODIRECTIONAL

Database:	WellPlanner1	**Local Co-ordinate Reference:**	Site Kyle Federal 24-28-34 (11-12-13-14)
Company:	Marathon Oil	**TVD Reference:**	Well @ 3026.00usft (GL: 2999' + KB: 27' (PD582))
Project:	Eddy County, NM	**MD Reference:**	Well @ 3026.00usft (GL: 2999' + KB: 27' (PD582))
Site:	Kyle Federal 24-28-34 (11-12-13-14)	**North Reference:**	Grid
Well:	WA #11H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Prelim Plan A		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
9,650.00	44.95	359.70	9,553.79	-459.52	-159.83	-428.70	10.00	10.00	0.00
9,700.00	49.95	359.70	9,587.59	-422.70	-160.02	-391.88	10.00	10.00	0.00
9,750.00	54.95	359.70	9,618.05	-383.07	-160.23	-352.25	10.00	10.00	0.00
9,800.00	59.95	359.70	9,644.94	-340.94	-160.45	-310.12	10.00	10.00	0.00
9,850.00	64.95	359.70	9,668.06	-296.63	-160.68	-265.80	10.00	10.00	0.00
9,900.00	69.95	359.70	9,687.23	-250.47	-160.92	-219.64	10.00	10.00	0.00
9,950.00	74.95	359.70	9,702.30	-202.81	-161.17	-171.98	10.00	10.00	0.00
10,000.00	79.95	359.70	9,713.17	-154.02	-161.43	-123.19	10.00	10.00	0.00
10,050.00	84.95	359.70	9,719.73	-104.47	-161.68	-73.64	10.00	10.00	0.00
10,100.50	90.00	359.70	9,721.96	-54.04	-161.95	-23.21	10.00	10.00	0.00
10,200.00	90.00	359.70	9,721.96	45.46	-162.46	76.29	0.00	0.00	0.00
10,300.00	90.00	359.70	9,721.96	145.46	-162.99	176.29	0.00	0.00	0.00
10,400.00	90.00	359.70	9,721.96	245.46	-163.51	276.29	0.00	0.00	0.00
10,500.00	90.00	359.70	9,721.96	345.46	-164.03	376.29	0.00	0.00	0.00
10,600.00	90.00	359.70	9,721.96	445.46	-164.55	476.29	0.00	0.00	0.00
10,700.00	90.00	359.70	9,721.96	545.46	-165.07	576.29	0.00	0.00	0.00
10,800.00	90.00	359.70	9,721.96	645.46	-165.59	676.29	0.00	0.00	0.00
10,900.00	90.00	359.70	9,721.97	745.45	-166.11	776.29	0.00	0.00	0.00
11,000.00	90.00	359.70	9,721.97	845.45	-166.63	876.29	0.00	0.00	0.00
11,100.00	90.00	359.70	9,721.97	945.45	-167.16	976.29	0.00	0.00	0.00
11,200.00	90.00	359.70	9,721.97	1,045.45	-167.68	1,076.29	0.00	0.00	0.00
11,300.00	90.00	359.70	9,721.97	1,145.45	-168.20	1,176.29	0.00	0.00	0.00
11,400.00	90.00	359.70	9,721.97	1,245.45	-168.72	1,276.29	0.00	0.00	0.00
11,500.00	90.00	359.70	9,721.97	1,345.45	-169.24	1,376.29	0.00	0.00	0.00
11,600.00	90.00	359.70	9,721.97	1,445.44	-169.76	1,476.29	0.00	0.00	0.00
11,700.00	90.00	359.70	9,721.97	1,545.44	-170.28	1,576.29	0.00	0.00	0.00
11,800.00	90.00	359.70	9,721.97	1,645.44	-170.80	1,676.29	0.00	0.00	0.00
11,900.00	90.00	359.70	9,721.98	1,745.44	-171.32	1,776.29	0.00	0.00	0.00
12,000.00	90.00	359.70	9,721.98	1,845.44	-171.85	1,876.29	0.00	0.00	0.00
12,100.00	90.00	359.70	9,721.98	1,945.44	-172.37	1,976.29	0.00	0.00	0.00
12,200.00	90.00	359.70	9,721.98	2,045.44	-172.89	2,076.29	0.00	0.00	0.00
12,300.00	90.00	359.70	9,721.98	2,145.43	-173.41	2,176.29	0.00	0.00	0.00
12,400.00	90.00	359.70	9,721.98	2,245.43	-173.93	2,276.29	0.00	0.00	0.00
12,500.00	90.00	359.70	9,721.98	2,345.43	-174.45	2,376.29	0.00	0.00	0.00
12,600.00	90.00	359.70	9,721.98	2,445.43	-174.97	2,476.29	0.00	0.00	0.00
12,700.00	90.00	359.70	9,721.98	2,545.43	-175.49	2,576.29	0.00	0.00	0.00
12,800.00	90.00	359.70	9,721.98	2,645.43	-176.02	2,676.29	0.00	0.00	0.00
12,900.00	90.00	359.70	9,721.99	2,745.43	-176.54	2,776.29	0.00	0.00	0.00
13,000.00	90.00	359.70	9,721.99	2,845.43	-177.06	2,876.29	0.00	0.00	0.00
13,100.00	90.00	359.70	9,721.99	2,945.42	-177.58	2,976.29	0.00	0.00	0.00
13,200.00	90.00	359.70	9,721.99	3,045.42	-178.10	3,076.29	0.00	0.00	0.00
13,300.00	90.00	359.70	9,721.99	3,145.42	-178.62	3,176.29	0.00	0.00	0.00
13,400.00	90.00	359.70	9,721.99	3,245.42	-179.14	3,276.29	0.00	0.00	0.00
13,500.00	90.00	359.70	9,721.99	3,345.42	-179.66	3,376.29	0.00	0.00	0.00
13,600.00	90.00	359.70	9,721.99	3,445.42	-180.18	3,476.29	0.00	0.00	0.00
13,700.00	90.00	359.70	9,721.99	3,545.42	-180.71	3,576.29	0.00	0.00	0.00
13,800.00	90.00	359.70	9,721.99	3,645.41	-181.23	3,676.29	0.00	0.00	0.00
13,900.00	90.00	359.70	9,721.99	3,745.41	-181.75	3,776.29	0.00	0.00	0.00
14,000.00	90.00	359.70	9,722.00	3,845.41	-182.27	3,876.29	0.00	0.00	0.00
14,100.00	90.00	359.70	9,722.00	3,945.41	-182.79	3,976.29	0.00	0.00	0.00
14,200.00	90.00	359.70	9,722.00	4,045.41	-183.31	4,076.29	0.00	0.00	0.00
14,300.00	90.00	359.70	9,722.00	4,145.41	-183.83	4,176.29	0.00	0.00	0.00

Marathon Oil

Professional Directional
Planning Report

PRODIRECTIONAL

Database:	WellPlanner1	**Local Co-ordinate Reference:**	Site Kyle Federal 24-28-34 (11-12-13-14)
Company:	Marathon Oil	**TVD Reference:**	Well @ 3026.00usft (GL: 2999' + KB: 27' (PD582))
Project:	Eddy County, NM	**MD Reference:**	Well @ 3026.00usft (GL: 2999' + KB: 27' (PD582))
Site:	Kyle Federal 24-28-34 (11-12-13-14)	**North Reference:**	Grid
Well:	WA #11H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Prelim Plan A		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
14,400.00	90.00	359.70	9,722.00	4,245.41	-184.35	4,276.29	0.00	0.00	0.00
14,468.26	90.00	359.70	9,722.00	4,313.67	-184.71	4,344.56	0.00	0.00	0.00
[KyleFedWA#11H]LTP/BHL									

Marathon Oil
Eddy County, NM
Kyle Federal 24-28-34 (11-12-13-14)
WA #11H
Prelim Plan A
GL: 2999' + KB: 27' (PD582)

US State Plane 1927 (Exact solution)
NAD 1927 (NADCON CONUS)
Clarke 1866
New Mexico East 3001
Mean Sea Level

RKB Elevation: Well @ 3026.00usft (GL: 2999' + KB: 27' (PD582))

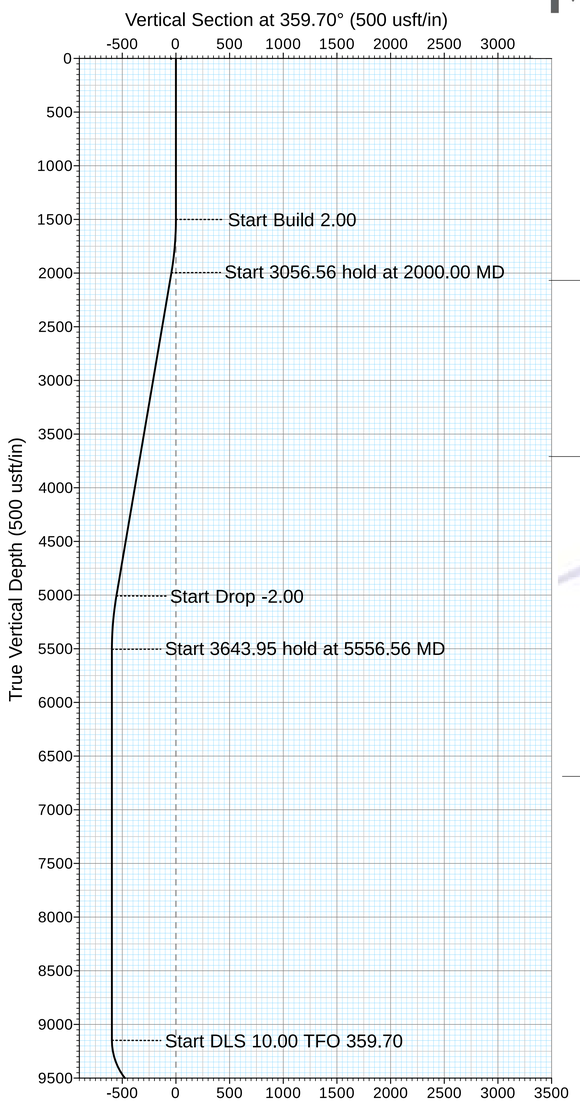
+N/-S	+E/-W	Northing	Easting	Latittude	Longitude	Slot
-29.98	0.04	425051.94	580858.45	32.168315	-104.072017	

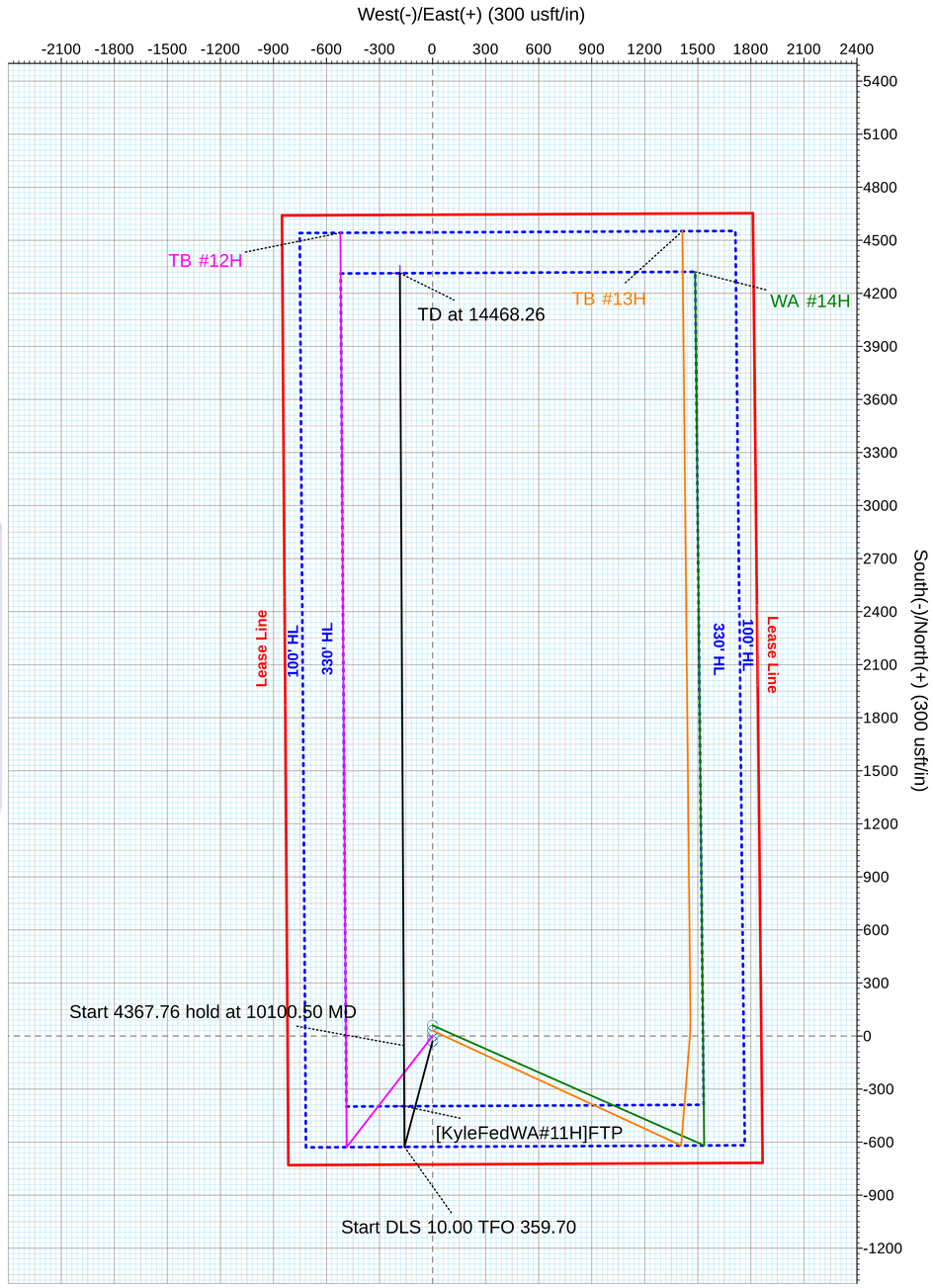
SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	VSect
1	0.00	0.00	0.00	0.00	-29.98	0.04	0.00	0.00
2	1500.00	0.00	0.00	1500.00	-29.98	0.04	0.00	0.00
3	2000.00	10.00	194.91	1997.47	-72.04	-11.16	2.00	-42.00
4	5056.56	10.00	194.91	5007.59	-584.92	-147.76	0.00	-554.16
5	5556.56	0.00	0.00	5505.05	-626.98	-158.96	2.00	-596.16
6	9200.51	0.00	0.00	9149.00	-626.98	-158.96	0.00	-596.16
7	10100.50	90.00	359.70	9721.96	-54.04	-161.95	10.00	-23.21
8	14468.26	90.00	359.70	9722.00	4313.67	-184.71	0.00	4344.56

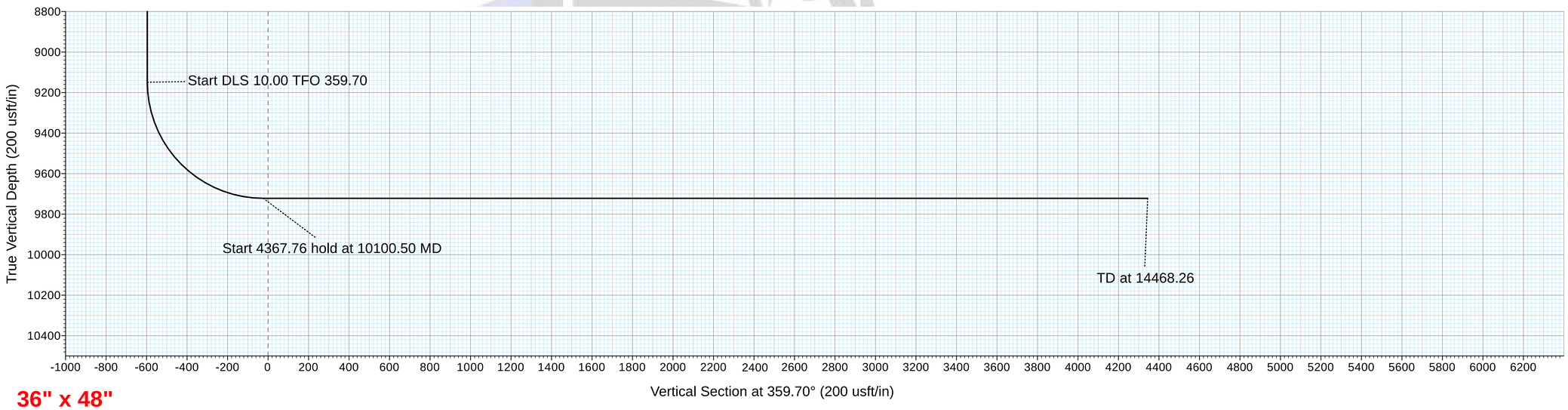
WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

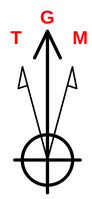
Name	TVD	+N/-S	+E/-W	Northing	Easting
[KyleFedWA#11H]FTP	0.00	-397.07	-159.73	424684.85	580698.68
[KyleFedWA#11H]LTP/BHL	9722.00	4313.67	-184.71	429395.59	580673.70





Target Line: 9722' TVD @ 0' VS: 90° INC





Azimuths to Grid North
True North: -0.14°
Magnetic North: 7.03°

Magnetic Field
Strength: 47970.2snT
Dip Angle: 59.93°
Date: 7/12/2018
Model: HDGM

Azimuth Corrections

Total Magnetic Corr. (M to G): 7.03°

Declination (M to T): 7.17° East

36" x 48"

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**MARATHON OIL PERMIAN LLC**
LEASE NO.:	**NMNM013074**
WELL NAME & NO.:	**KYLE FEDERAL 24 28 34 WXY 11H**
SURFACE HOLE FOOTAGE:	719'/S & 1182'/W
BOTTOM HOLE FOOTAGE	330'/N & 330'/W
LOCATION:	Section 34, T.24 S., R.28 E., NMPM
COUNTY:	Eddy County, New Mexico

COA

H2S	○ Yes	◉ No	
Potash	◉ None	○ Secretary	○ R-111-P
Cave/Karst Potential	○ Low	○ Medium	◉ High
Cave/Karst Potential	○ Critical		
Variance	○ None	◉ Flex Hose	○ Other
Wellhead	○ Conventional	◉ Multibowl	○ Both
Other	☐ 4 String Area	☐ Capitan Reef	☐ WIPP
Other	☐ Fluid Filled	☐ Cement Squeeze	☐ Pilot Hole
Special Requirements	☐ Water Disposal	☐ COM	☐ Unit

A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

1. The **13-3/8** inch surface casing shall be set at approximately **450 feet** (a minimum of 70 feet (Eddy County) into the Rustler Anhydrite and above the salt) and cemented to the surface.

    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
    b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8**

Approval Date: 04/19/2021

hours or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)

c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
d. If cement falls back, remedial cementing will be done prior to drilling out that string.

2. The **9-5/8** Intermediate casing shall be set at approximately **2620 feet.** The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

Option 1 (Single Stage):

- Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.**

❖ In High Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

3. The minimum required fill of cement behind the **7** inch second intermedaite casing is:

Option 1 (Single Stage):

- Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

4. The minimum required fill of cement behind the **4-1/2** inch production liner is:

- Cement should tie-back **100 feet** into the previous casing. Operator shall provide method of verification.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).

2. **BOP REQUIREMENTS**

Option 1:

a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.

Approval Date: 04/19/2021

b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **5000 (5M)** psi.

Option 2:
Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **10,000 (10M)** psi. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.**

a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
c. Manufacturer representative shall install the test plug for the initial BOP test.
d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

a. Spudding well (minimum of 24 hours)
b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
c. BOPE tests (minimum of 4 hours)

☒ Eddy County
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

☒ Lea County
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 393-3612

Approval Date: 04/19/2021

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

   a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
   b. When the operator proposes to set surface casing with Spudder Rig
      - Notify the BLM when moving in and removing the Spudder Rig.
      - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
      - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.

2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.

3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.

4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.

5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.

3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.

4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:

    a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
    b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
    c. Manufacturer representative shall install the test plug for the initial BOP test.
    d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
    e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.

5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

    a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

    b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).

    c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for

the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.

e. The results of the test shall be reported to the appropriate BLM office.

f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.

g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

RI10082020

 Approval Date: 04/19/2021

PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL

OPERATOR'S NAME: Marathon Oil Permian LLC
LEASE NO.: NMNM013074; NMNM017222
LOCATION: Section 34, T.24 S., R.28 E., NMPM
COUNTY: Eddy County, New Mexico

Kyle Federal 24-28-34 WD 6H
Surface Hole Location: 719' FSL & 1152' FWL, Section 34, T. 24 S., R. 28 E.
Bottom Hole Location: 330' FNL & 330' FWL, Section 34, T. 24 S, R. 28 E.

Kyle Federal 24-28-34 WXY 7H
Surface Hole Location: 719' FSL & 1182' FWL, Section 34, T. 24 S., R. 28 E.
Bottom Hole Location: 330' FNL & 330' FWL, Section 34, T. 24 S, R. 28 E.

Kyle Federal 24-28-34 TB 1H
Surface Hole Location: 719' FSL & 1212' FWL, Section 34, T. 24 S., R. 28 E.
Bottom Hole Location: 100' FNL & 995' FWL, Section 34, T. 24 S, R. 28 E.

Kyle Federal 24-28-34 WXY 8H
Surface Hole Location: 719' FSL & 1242' FWL, Section 34, T. 24 S., R. 28 E.
Bottom Hole Location: 330' FNL & 2335' FWL, Section 34, T. 24 S, R. 28 E.

Kyle 34 Federal Com WD 4H
Surface Hole Location: 971' FSL & 1753' FWL, Section 34, T. 24 S., R. 28 E.
Bottom Hole Location: 330' FNL & 1002' FWL, Section 34, T. 24 S, R. 28 E.

Kyle 34 Federal Com WD 9H
Surface Hole Location: 971' FSL & 1783' FWL, Section 34, T. 24 S., R. 28 E.
Bottom Hole Location: 330' FNL & 1662' FWL, Section 34, T. 24 S, R. 28 E.

Kyle 34 Federal Com WD 22H
Surface Hole Location: 971' FSL & 1813' FWL, Section 34, T. 24 S., R. 28 E.
Bottom Hole Location: 330' FNL & 2335' FWL, Section 34, T. 24 S, R. 28 E.

Kyle Federal 24-28-34 WA 14H
Surface Hole Location: 786' FSL & 1859' FEL, Section 34, T. 24 S., R. 28 E.
Bottom Hole Location: 100' FNL & 400' FEL, Section 34, T. 24 S, R. 28 E.

Kyle Federal 24-28-34 TB 13H
Surface Hole Location: 756' FSL & 1859' FEL, Section 34, T. 24 S., R. 28 E.
Bottom Hole Location: 100' FNL & 400' FEL, Section 34, T. 24 S, R. 28 E.

Approval Date: 04/19/2021

Kyle Federal 24-28-34 TB 12H
Surface Hole Location: 726' FSL & 1859' FEL, Section 34, T. 24 S., R. 28 E.
Bottom Hole Location: 100' FNL & 2334' FEL, Section 34, T. 24 S, R. 28 E.

Kyle Federal 24-28-34 WA 11H
Surface Hole Location: 696' FSL & 1860' FEL, Section 34, T. 24 S., R. 28 E.
Bottom Hole Location: 330' FNL & 1999' FEL, Section 34, T. 24 S, R. 28 E.

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

I. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

II. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

III. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

IV. SPECIAL REQUIREMENT(S)

Texas Hornshell

Oil and Gas Zone D - CCA Boundary requirements.

- Implement erosion control measures in accordance with the Reasonable and Prudent Practices for Stabilization (“RAPPS”)
- Comply with SPCC requirements in accordance with 40 CFR Part 112;
- Comply with the United States Army Corp of Engineers (USACE) Nationwide 12 General Permit, where applicable;
- Utilize technologies (like underground borings for pipelines), where feasible;

- Educate personnel, agents, contractors, and subcontractors about the requirements of conservation measures, COAs, Stips and provide direction in accordance with the Permit.

Hydrology:

The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

TANK BATTERY:
Tank battery locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank or 24 hour production, whichever is greater. Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

Cave/Karst Surface Mitigation

The following stipulations will be applied to minimize impacts during construction, drilling and production:

Construction:

General Construction:

- No blasting
- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction, and no additional construction shall occur until clearance has been issued by the Authorized Officer.
- All linear surface disturbance activities will avoid sinkholes and other karst features to lessen the possibility of encountering near surface voids during construction, minimize changes to runoff, and prevent untimely leaks and spills from entering the karst drainage system.
- All spills or leaks will be reported to the BLM immediately for their immediate and proper treatment.

Pad Construction:

- The pad will be constructed and leveled by adding the necessary fill and caliche – no blasting.
- The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.
- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g., caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.
- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised (i.e. an access road crossing the berm cannot be lower than the berm height).
- Following a rain event, all fluids will vacuumed off of the pad and hauled off-site and disposed at a proper disposal facility.

Tank Battery Construction:

- The pad will be constructed and leveled by adding the necessary fill and caliche – no blasting.
- All tank battery locations and facilities will be lined and bermed.
- The liner should be at least 20 mil in thickness and installed with a 4 oz. felt backing, or equivalent, to prevent tears or punctures.
- Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Road Construction:

- Turnout ditches and drainage leadoffs will not be constructed in such a manner as to alter the natural flow of water into or out of cave or karst features.
- Special restoration stipulations or realignment may be required if subsurface features are discovered during construction.
-

Leak Detection System:

- A method of detecting leaks is required. The method could incorporate gauges to measure loss, situating values and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present.

Approval Date: 04/19/2021

- A leak detection plan will be submitted to BLM that incorporates an automatic shut off system (see below) to minimize the effects of an undesirable event that could negatively sensitive cave/karst resources.
- Well heads, pipelines (surface and buried), storage tanks, and all supporting equipment should be monitored regularly after installation to promptly identify and fix leaks.

Automatic Shut-off Systems:

- Automatic shut off, check values, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

Cave/Karst Subsurface Mitigation

The following stipulations will be applied to protect cave/karst and groundwater concerns:

Closed Loop System:

- A closed loop system using steel tanks will be utilized during drilling – no pits
- All fluids and cuttings will be hauled off-site and disposed of properly at an authorized site

Rotary Drilling with Fresh Water:

- Fresh water will be used as a circulating medium in zones where caves or karst features are expected. SEE ALSO: Drilling COAs for this well.

Directional Drilling:

- The kick off point for directional drilling will occur at least 100 feet below the bottom of the cave occurrence zone. SEE ALSO: Drilling COAs for this well.

Lost Circulation:

- ALL lost circulation zones between surface and the base of the cave occurrence zone will be logged and reported in the drilling report.
- If a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cave-bearing zone, regardless of the type of drilling machinery used, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with the operator on corrective actions to resolve the problem.

Abandonment Cementing:

- Additional plugging conditions of approval may be required upon well abandonment in high and medium karst potential occurrence zones.
- The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Pressure Testing:

- The operator will perform annual pressure monitoring on all casing annuli and reported in a sundry notice.
- If the test results indicated a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

V. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing
The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width
The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing
Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

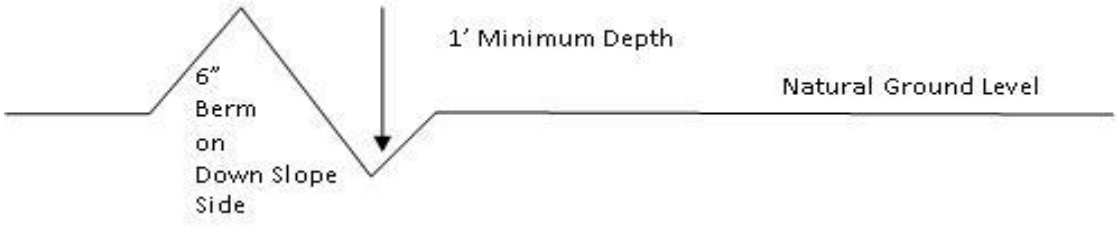
Ditching
Ditching shall be required on both sides of the road.

Turnouts
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage
Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope: $\frac{400'}{4\%}$ + 100' = 200' lead-off ditch interval

Cattle guards
An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access
Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Approval Date: 04/19/2021

Construction Steps

1. Salvage topsoil
2. Construct road
3. Redistribute topsoil
4. Revegetate slopes

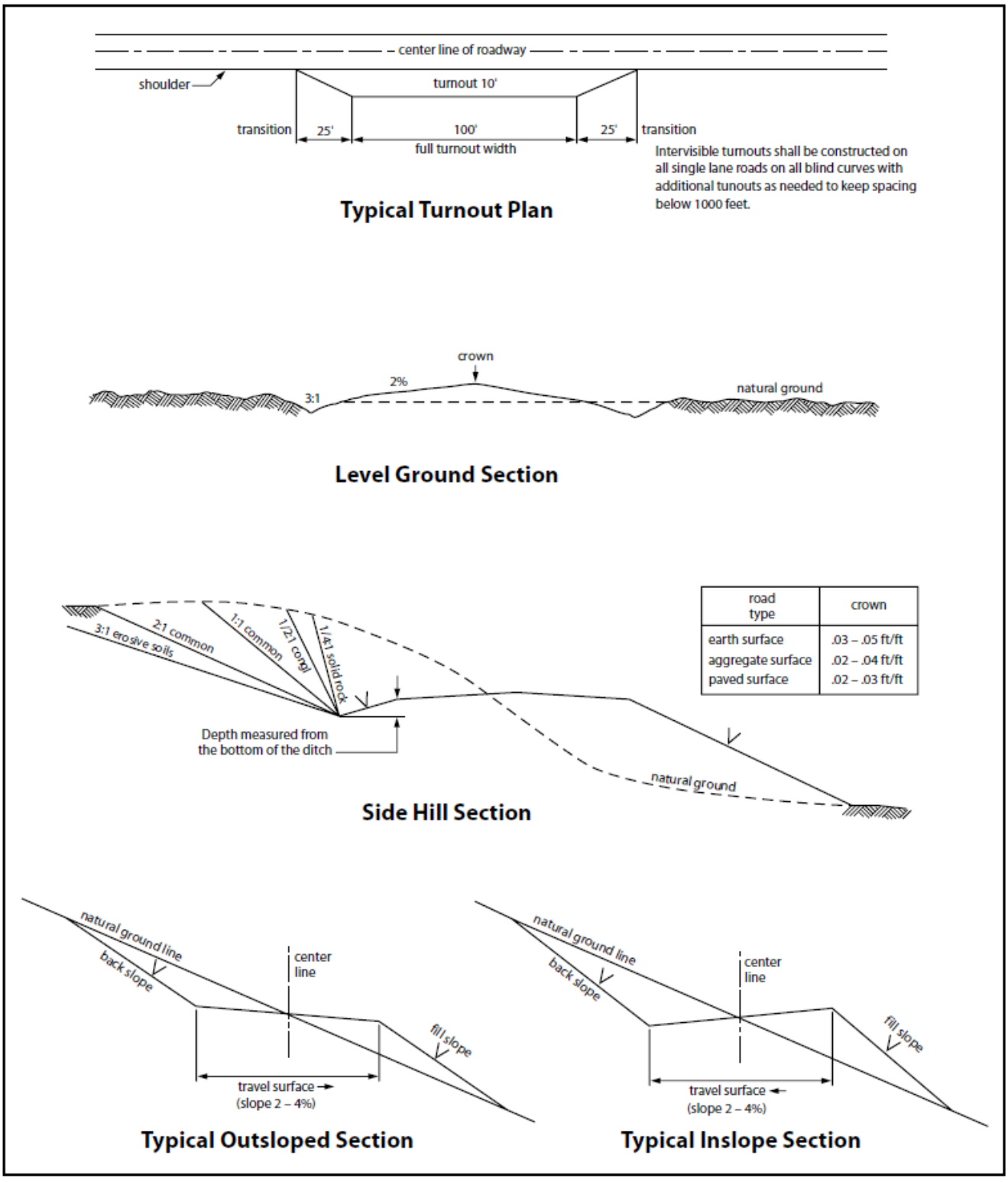


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

Approval Date: 04/19/2021

VI. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities
Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)
Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening
The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures
The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone*.) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures
Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement
All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

VII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

VIII. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Approval Date: 04/19/2021

Seed Mixture 1 for Loamy Sites

Holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed shall be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed shall be either certified or registered seed. The seed container shall be tagged in accordance with State law(s) and available for inspection by the Authorized Officer.

Seed shall be planted using a drill equipped with a depth regulator to ensure proper depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area (small/heavier seeds have a tendency to drop the bottom of the drill and are planted first). Holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed shall be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre shall be doubled. The seeding shall be repeated until a satisfactory stand is established as determined by the Authorized Officer. Evaluation of growth may not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species	lb/acre
Plains lovegrass (Eragrostis intermedia)	0.5
Sand dropseed (Sporobolus cryptandrus)	1.0
Sideoats grama (Bouteloua curtipendula)	5.0
Plains bristlegrass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

Approval Date: 04/19/2021

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

COMMENTS

Action 27132

COMMENTS

Operator:	OGRID:	Action Number:	Action Type:
MARATHON OIL PERMIAN LLC 5555 San Felipe St. Permian Regulatory Team Houston, TX77056	372098	27132	FORM 3160-3

Created By	Comment	Comment Date
kpickford	KP GEO Review 5/10/2021	05/10/2021

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 27132

CONDITIONS OF APPROVAL

Operator:	OGRID:	Action Number:	Action Type:
MARATHON OIL PERMIAN LLC 5555 San Felipe St. Permian Regulatory Team Houston, TX77056	372098	27132	FORM 3160-3

OCD Reviewer	Condition
kpickford	Surface casing must penetrate 25' into the Rustler Anhydrite or salt.
kpickford	Notify OCD 24 hours prior to casing & cement
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104
kpickford	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
kpickford	Cement is required to circulate on both surface and intermediate1 strings of casing
kpickford	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system